

Message Text

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ACTION EB-08

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-10 EUR-12 NEA-10
IO-13 OIC-02 L-03 FRB-03 OMB-01 ITC-01 SP-02
USIA-06 AGRE-00 AID-05 CIAE-00 COME-00 INR-07
LAB-04 NSAE-00 SIL-01 STR-05 TRSE-00 CEA-01 SS-15
/130 W

-----084647 061403Z /46

R 061255Z JAN 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 4124
INFO ALL EC CAPITALS
USMISSION GENEVA
AMEMBASSY BUENOS AIRES
AMEMBASSY BRASILIA
AMEMBASSY BOGOTA
AMEMBASSY SEOUL
AMEMBASSY CAIRO
AMEMBASSY MADRID
AMEMBASSY ATHENS
AMEMBASSY GUATEMALA
AMCONSUL HONG KONG
AMEMBASSY BUDAPEST
AMEMBASSY NEW DELHI
AMEMBASSY JAKARTA
AMEMBASSY TEL AVIV
AMEMBASSY KUALA LUMPUR
AMEMBASSY LISBON
AMEMBASSY RABAT
AMEMBASSY MEXICO
AMEMBASSY ISLAMABAD
AMEMBASSY LIMA
AMEMBASSY MANILA
AMEMBASSY WARSAW
AMEMBASSY BUCHAREST
AMEMBASSY SINGAPORE
AMEMBASSY COLOMBO
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AMEMBASSY BANGKOK
AMEMBASSY TUNIS
AMEMBASSY ANKARA
AMEMBASSY MONTEVIDEO
AMEMBASSY BELGRADE
AMEMBASSY DACCA
AMEMBASSY TAIPEI

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USEEC
E.O. 11652: GDS
TAGS: EEC, ETRD
SUBJECT: EC BILATERAL TEXTILE AGREEMENTS

REF: (A) 77 BRUSSELS 19030 (NOTAL), (B) GENEVA 11573
(NOTAL)

1. IN CONVERSATION WITH MISSION OFFICER JANUARY 5, EC TEXTILE NEGOTIATOR TRAN VAN THINH GAVE STATUS OF NEGOTIATIONS BETWEEN EC AND VARIOUS LDC AND EAST EUROPEAN TEXTILE EXPORTERS. ACCORDING TO TRAN, EC HAS NOW INITIALED 20 AGREEMENTS WITH THE FOLLOWING COUNTRIES: ARGENTINA, BRAZIL, COLOMBIA, SOUTH KOREA, GUATEMALA, HONG KONG, INDIA, INDONESIA, MACAO, MALAYSIA, MEXICO, PAKISTAN, PERU, PHILIPPINES, ROMANIA, SINGAPORE, SRI LANKA, THAILAND, URUGUAY AND YUGOSLAVIA. THESE AGREEMENTS WILL SHORTLY BE PUT INTO FINAL FORM AND SUBMITTED TO THE EC COUNCIL FOR APPROVAL. TRAN SAID THAT HE EXPECTS TO INITIAL AN AGREEMENT WITH BANGLADESH SHORTLY.

2. WITH GREECE AND TURKEY, THE EC COMMISSION HAS REACHED AGREEMENT WITH REPRESENTATIVES OF THE PRIVATE SECTOR
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SATISFACTORY TO BOTH SIDES. TRADE IN 1978 WILL BE BASED ON 1976 FIGURES WITH SOME GROWTH PROVIDED. WITH MOROCCO AND TUNISIA, THE COMMISSION REACHED AGREEMENTS WITH THE GOVERNMENTS INVOLVED. HERE, 1978 TRADE WILL BE AT 1976 LEVELS PLUS "VERY LARGE" GROWTH. THE EC DID NOT SEEK AN AGREEMENT WITH ISRAEL, WHICH TRAN CLASSIFIED AS NOT A LOW-COST PRODUCER AND THEREFORE OUT OF THE GLOBAL CEILING OF LDC IMPORTS UNDER THE MULTIFIBER AGREEMENT. TRAN DESCRIBED THE EC COUNCIL REQUEST TO THE COMMISSION TO NEGOTIATE WITH ISRAEL AS HAVING BEEN AN ERROR.

3. TRAN STATED THAT THE EC WILL ANNOUNCE AUTONOMOUS QUOTAS FOR TAIWAN. THESE QUOTAS ARE STILL BEING PUT IN FINAL FORM AND WILL BE PUBLISHED SHORTLY IN THE EC OFFICIAL JOURNAL.

4. AGREEMENT WITH EGYPT IS ALREADY ACHIEVED IN PRINCIPLE AND A FORMAL NEGOTIATING SESSION WILL BE SCHEDULED SHORTLY AND AN AGREEMENT INITIALED. NEGOTIATIONS WITH SPAIN AND PORTUGAL HAVE NOT GONE WELL, ACCORDING TO TRAN. HE CONFIRMED THAT THE SPANISH DELEGATION IN PARTICULAR HAS SHOWN ALMOST NO INTEREST IN NEGOTIATING ON

THE BASIS OF COMMUNITY OFFERS. ACCORDING TO PRESS REPORTS, THE EC WILL FIX A MAXIMUM VOLUME OF TEXTILE IMPORTS WHICH IT IS PREPARED TO ACCEPT FROM THESE TWO COUNTRIES DURING 1978 AND WILL RESERVE THE RIGHT TO INTRODUCE SAFEGUARD MEASURES SHOULD THESE LIMITS BE EXCEEDED. TRAN PLANS TO MAINTAIN CONTACT WITH THE TWO.

5. TRAN REPEATED EARLIER COMMISSION STATEMENTS THAT THE ONLY REMAINING PROBLEM WITH POLAND AND HUNGARY INVOLVES THE TERRITORIAL CLAUSE (I.E., THE BERLIN CLAUSE). TRAN SAID THAT HE IS REASONABLY SURE, BASED ON INTIMATIONS FROM POLISH AND HUNGARIAN NEGOTIATORS, THAT THEY WILL

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USEEC

EVENTUALLY ACCEPT THE TERRITORIAL CLAUSE. THE BAIT IS THAT COMMUNITY OFFERS UNDER THE AGREEMENT ARE RELATIVELY GENEROUS AND THE EC INTENDS TO IMPOSE MUCH TIGHTER QUOTAS ON A UNILATERAL BASIS IF THEY DO NOT SIGN.

6. WITH RESPECT TO HONG KONG, TRAN STATED THAT, IN FULFILLMENT OF HIS ASSURANCE TO MIKE SMITH (SEE PARA 3 (A) REFTEL B), THE HONG KONG AGREEMENT NOW PROVIDED 3 1/2 RATHER THAN 3 PERCENT GROWTH FOR HONG KONG EXPORTS IN GROUP ONE, THE MOST SENSITIVE CATEGORY. TRAN STATED THAT THE MEMBER STATES HAD OBJECTED VIGOROUSLY TO THIS ALTERATION BUT THAT HE HAD INSISTED ON IT.

7. TRAN STATED THAT THE COMMISSION IS PRESENTLY ENGAGED IN DRAFTING A COMPLEX REGULATION WHICH WILL PROVIDE LEGAL AUTHORITY FOR A TRANSITIONAL SYSTEM WHEREBY THE EC WILL ALLOT TO EACH OF THE ABOVE COUNTRIES THE QUOTAS EITHER AGREED TO BY THEM OR ASSIGNED TO THEM BY THE EC. THIS TRANSITIONAL MEASURE WILL BE REPLACED BY THE ACTUAL AGREEMENTS WITH EACH COUNTRY AS SOON AS THEY HAVE COME INTO FORCE. HINTON
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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 jan 1978
Decapton Date: 01 jan 1960
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRUSSE00301
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780010-0647
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780193/aaaadamh.tel
Line Count: 221
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ee9b01e6-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 BRUSSELS 19030, 78 GENEVA 11573
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 27 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3820003
Secure: OPEN
Status: NATIVE
Subject: EC BILATERAL TEXTILE AGREEMENTS
TAGS: ETRD, EEC
To: STATE
Type: TE
vdkgvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/ee9b01e6-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014